STATE OF NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY DIVISION OF ALCOHOLIC BEVERAGE CONTROL

IN THE MATTER OF THE APPLICATION TO EXTEND THE JUNE 2016 AND DECEMBER 2016 PRICES IN THE CURRENT PRICE LISTS)))))	ORDER PERMITTING EXTENSION OF JUNE 2016 CURRENT PRICE LIST THROUGH TUESDAY, JULY 5, 2016, AND DECEMBER 2016 CURRENT PRICE LIST THROUGH TUESDAY, JANUARY 3, 2017
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BY THE DIRECTOR:

N.J.A.C. 13:2-24.6(a)(4) provides that a Current Price List ("CPL") shall be filed no later than the 15th of each calendar month, and shall become effective the first day of the following calendar month and shall remain effective for the entire month.

On June 10, 2016, the Division of Alcoholic Beverage Control (the "Division") received a request from Jeffrey A. Warsh, Esquire, Executive Director and General Counsel to the New Jersey Wine and Spirits Wholesale Association ("NJWSWA") seeking an extension of the prices contained in the June 2016 CPL until the close of business on Tuesday, July 5, 2016. If granted, this would enable wholesalers to continue to utilize the prices listed in the June 2016 CPL for orders that were received on or before the close of business on Tuesday, July 5, 2016.

In addition, Mr. Warsh requested an extension of the prices contained in the December 2016 CPL until the close of business on Tuesday, January 3, 2017. If granted, this would enable wholesalers to continue to utilize the prices listed in the December 2016 CPL for orders that were received on or before the close of business on Tuesday, January 3, 2017.

The reason given for these requests is that both June and December are the busiest months for the industry. Better prices and deals exist during these months, and retailers typically place significant orders at the end of these months. Given the large volume of orders, wholesalers are generally unable to deliver the products in a timely manner, and this difficulty is exacerbated by the fact that the Fourth of July holiday and New Year's Eve and New Year's Day holidays fall during these busiest times. In addition, during these hectic times, prices are about to change over for the next month. Thus, in order to avoid confusion and to allow for a more orderly marketplace during these times, the industry is requesting a limited extension of the prices contained in the June 2016 and December 2016 CPLs.

In accordance with <u>N.J.A.C</u>. 13:2-9.1, the Director of the Division has the authority to relax the provisions of <u>N.J.A.C</u>. 13:2-24.6(a)(4) upon a showing of undue hardship (economic or otherwise); that the waiver of the rule would not unduly burden any affected parties; and that the

waiver is consistent with the underlying purposes of Title 33 and its implementing regulations.

I have reviewed the request to extend the expiration dates of both the June 2016 and December 2016 CPL in light of the standards contained in N.J.A.C. 13:2-9.1. I believe that denying the relief sought would cause hardship to both wholesalers and retailers. Wholesalers are not able to make timely deliveries due to increased sales and the fact that no deliveries occur during the respective holidays. Retailers, on the other hand, who place significant orders at the end of the busiest months of June and December, will not have the products ordered available for sale. If the prices were to change over at the end of these months during the normal course, there will be confusion, disorder, and hardship in the marketplace.

Since the extension of the June 2016 and December 2016 prices would apply to all wholesale and retail licensees on a non-discriminatory basis, I do not believe that the requested approval would unduly burden any affected parties, or would undermine the purposes of Title 33, which are to prevent discrimination in the sale of alcoholic beverages and to maintain trade stability.

I note that wholesalers who choose to exercise the extensions granted herein must extend the June 2016 and December 2016 prices on a uniform basis for all products and for all retail licensees.

Accordingly, it is on this Accordingly, it is on this day of June, 2016,

ORDERED that wholesalers are authorized to extend prices listed in the June 2016 CPL for retail orders received on or before the close of business on Tuesday, July 5, 2016, provided that all such prices are extended in a uniform, non-discriminatory basis to all retail accounts; and it is further

ORDERED that wholesalers are authorized to extend prices listed in the December 2016 CPL for retail orders received on or before the close of business on Tuesday, January 3, 2017, provided that all such prices are extended in a uniform, non-discriminatory basis to all retail accounts.

JONATHAN A. ORSEN ACTING DIRECTOR